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The President's Daily Brief

July 5, 1975

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~~*Top Secret*~~ 25X1

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USSR

Party chief Brezhnev lobbied vigorously for Soviet policies during a two-hour meeting last Wednesday with visiting US Senators. He clearly was out to impress them with Soviet reasonableness and occasionally distorted the record to serve that end.

Brezhnev noted that both he and Foreign Minister Gromyko would meet with Secretary Kissinger next week. He also spoke favorably of you and said that he was looking forward to seeing you at a European Security Conference summit and in Washington.

Brezhnev devoted most of his remarks to security topics, reiterating the recent Soviet theme that after CSCE the sides should proceed toward detente in the military field. He praised the Vladivostok understanding on strategic arms limitation as a good beginning, but expressed regret that there had been no agreement restricting new weapons development.

He illustrated the possibilities in this area by recounting a bilateral discussion last year about canceling the US Trident and B-1 programs in return for Soviet cancellation of the "Typhoon" submarine and the development of an "IL-22" aircraft. The Soviets have made vague references to a "Typhoon" submarine before, but this is the first mention of an "IL-22." The Soviets have claimed before to have a B-1 type bomber under development,

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It is possible that Brezhnev is bluffing about both the "Typhoon" and the "IL-22."

Brezhnev also mentioned his proposal of June 13 to ban new types of weapons, saying that he was not referring to any new Soviet development, but rather to weapons like the B-1 bomber and others that scientists may invent in the future.

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Brezhnev claimed that the USSR had proposed a complete nuclear test ban or, alternatively, a lower threshold than would be agreed to by the US. He criticized recent large US nuclear tests, and complained of US encirclement of the Soviet Union with nuclear bases, which he said, the US refused to discuss at SALT. He criticized Secretary Schlesinger for dispatching two new divisions to West Germany and took the Senate to task for approving "enormous" military budgets.

Brezhnev said little about bilateral trade but, like the other Soviet officials who talked with the Senators, he gave few signs of flexibility on the Jewish emigration issue. He hewed to the standard line that emigration is down because fewer Jews want to leave the USSR. He also repeated the fallacious claim that exit permission is withheld only in cases where state secrets might be jeopardized. Although Brezhnev was careful not to rule out completely an increase in the number of emigrants, expressions of Congressional interest in compromise were ignored. Moscow's unwillingness even to feign a more cooperative position on a subject of prime concern to the delegation stands in contrast to its efforts to put a conciliatory gloss on other issues.

The Soviet decision to stand pat on emigration at this time suggests that the leadership is under pressure from within the party to maintain a hard line. The Soviet decision last December to reject the terms of US trade legislation came amid reports of such pressure, and the Soviets since then have been consistently recalcitrant on this subject. In addition, Moscow may believe that it cannot afford to bow to Congressional persuasion regardless of Soviet interest in winning friends among the legislators.

The Soviets also may interpret the Senators' talk of compromise as reflecting erosion of Congressional support for continued curbs on bilateral trade and credits. Moscow's position seems to be that the next step is up to the US Congress and that the US should expect no Soviet commitment regarding emigration before there is new legislation.

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CAMBODIA

Foreign Minister Sarin Chhak's current trip to Albania, Yugoslavia, a number of African countries, and the Middle East is the new Cambodian regime's initial foray on the international scene.

Public announcements of Chhak's stops contain little information.

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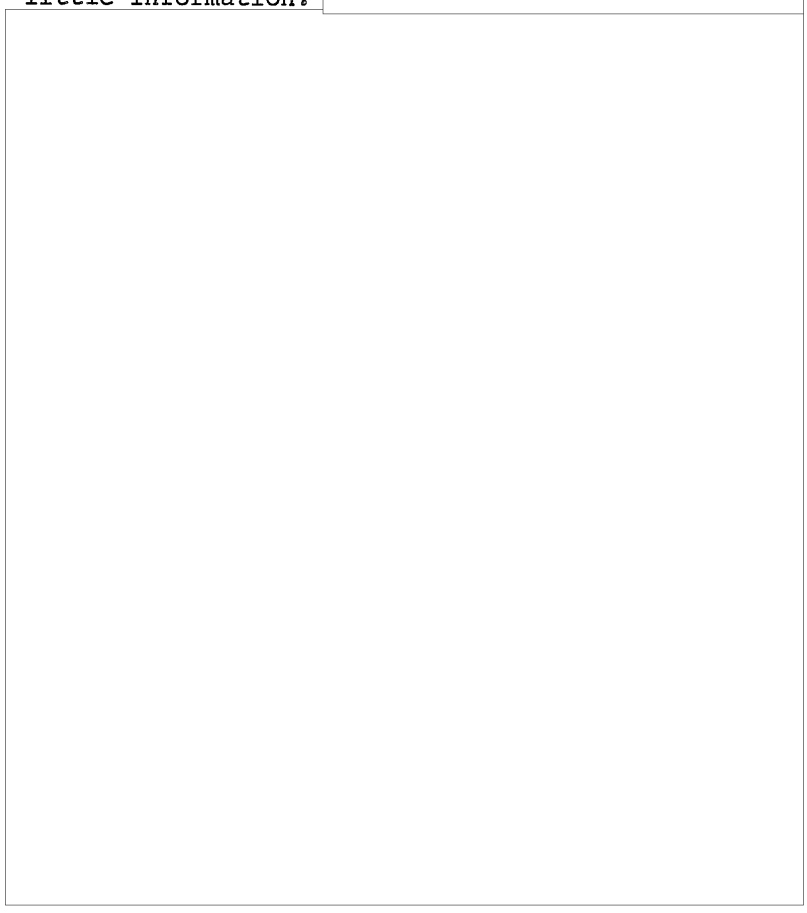

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INDONESIA

The following are the key judgments of a National Intelligence Estimate, Prospects for Indonesia, *June 30, 1975.*

Indonesia has good prospects for economic growth over the next five years. Oil revenues, private foreign investment, and foreign aid will permit continued development and diversification of domestic production capacity, although weaknesses in the indigenous institutional framework could slow the process.

Some of the benefits of progress--a stabilized currency, higher levels of production, rising incomes, greater availabilities of consumer goods, improved communications, and new employment opportunities--are filtering down to the general population, although the extent is far from clear. But socio-economic problems, of which population pressure is the most intractable, remain very serious indeed.

Moreover, development itself has been heightening social tension--undermining tradition-sanctioned economic relationships and procedures, destabilizing rural society, stimulating people to move to the cities in numbers that strain social services and exceed employment opportunities, heightening aspirations beyond the possibilities of fulfilling them, and underlining the greatly increased disparities between the conspicuous and corruption-fed consumption of the few and the continued poverty of the many.

Over the period of this estimate, festering social problems will provide rallying cries for the politically disaffected. These now include virtually all of the politically significant civilian elements--party politicians, students, intellectuals, and most important of all, the Muslims--all of whom expected to play a more important role in post-Sukarno Indonesia.

Instead, increasingly their activities have been restricted by even more pervasive and effective controls than existed before the military assumed power. Opposition or potential opposition groups are, however, weak, divided, without widely attractive leaders, and incapable of effective challenge to a united military.

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At present, there are no serious challenges to military unity. If this remains the case, the Suharto government will be able to maintain itself in control. There are fissures, however, within the military that could become more important with time.

Dissatisfaction with Suharto's leadership could result in his displacement. But if this represented a general consensus, it would not necessarily be destabilizing and would probably result in little more than a change in the cast of characters at the top.

Greater changes could result from the breakdown of consensus among more or less evenly balanced factions, seeking to exploit civilian grievances in the struggle for power. A change of government precipitated by serious social upheaval could bring to the fore a puritanical, ultranationalist military reform movement that might well be hostile to continued foreign investment and to a free enterprise economy.

Economic hardship, especially in Java, social dislocations in urban and rural areas, and political frustrations could combine to produce a massive and uncontrollable breakdown of public order. During the period of this estimate violence on this scale is unlikely.

There is a good chance, however, that a combination of events and forces will precipitate limited but still serious political disorders. Even under these circumstances if the military remains united, they will be able to maintain control.

Indonesia will probably continue to lean toward the US and the West. It will focus its foreign and security policy on the Southeast Asian region where, its leaders believe, Indonesia is destined to play the principal role.

The other ASEAN states, however, do not automatically accept Indonesian leadership. There are lingering suspicions that Jakarta's regional model is merely a subtler form of Sukarno's grand design for Indonesian regional hegemony. And, as its neighbors recognize, Jakarta for some time to come will be unable to provide practical underpinnings for its regional proposals or assume significant responsibilities in the area.

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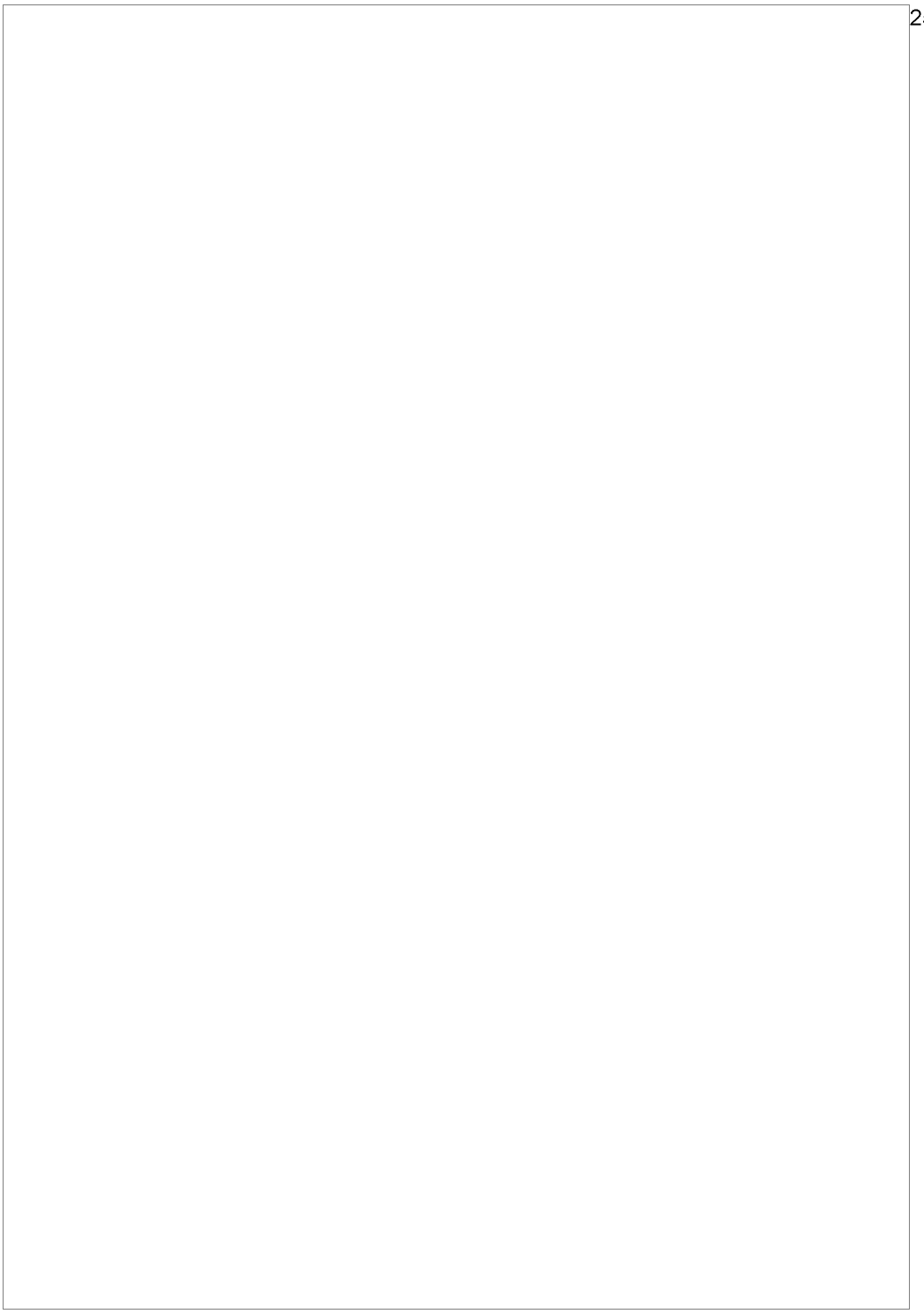

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NOTES

Israel

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Lebanese *security authorities announced yesterday morning that mop-up operations against pockets of radicals had been completed and that Beirut had returned to "normal."*

The government is concerned that the upsurge in kidnapings since the cease-fire could provoke more fighting. Meanwhile, some leftist politicians, led by Socialist chief Jumblatt, are becoming more vocal in opposing Prime Minister Karami's new cabinet. The leftists are likely to confine their opposition for the time being to peaceful protests.

* * *

The EC Nine are expected to agree on Monday to help in heading off a possible Arab initiative to suspend Israel from the UN General Assembly.

The EC members hope that a firm but low-key approach will prove effective and that a confrontation with the Arabs on this issue can be avoided.

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North Korea

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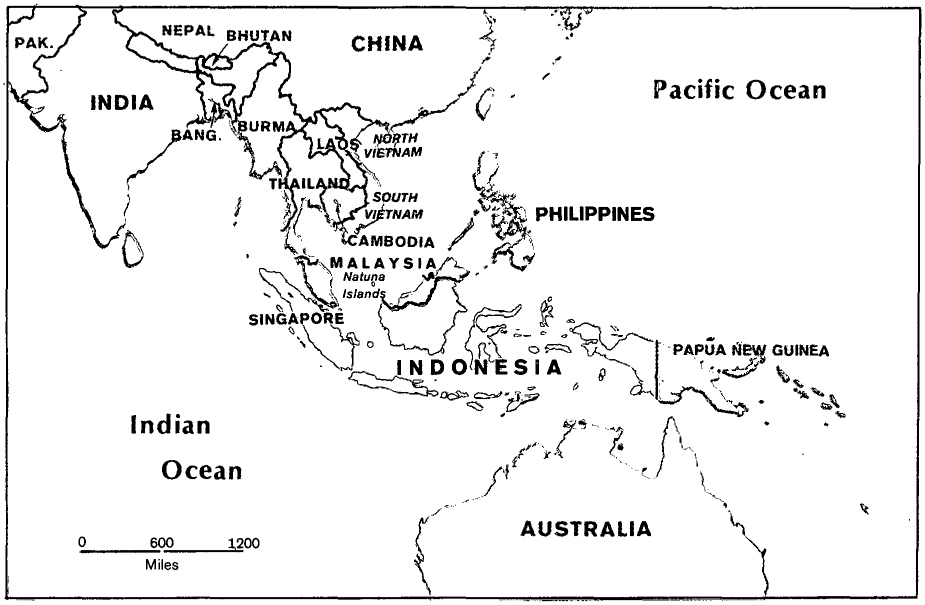

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ANNEX

INDONESIA

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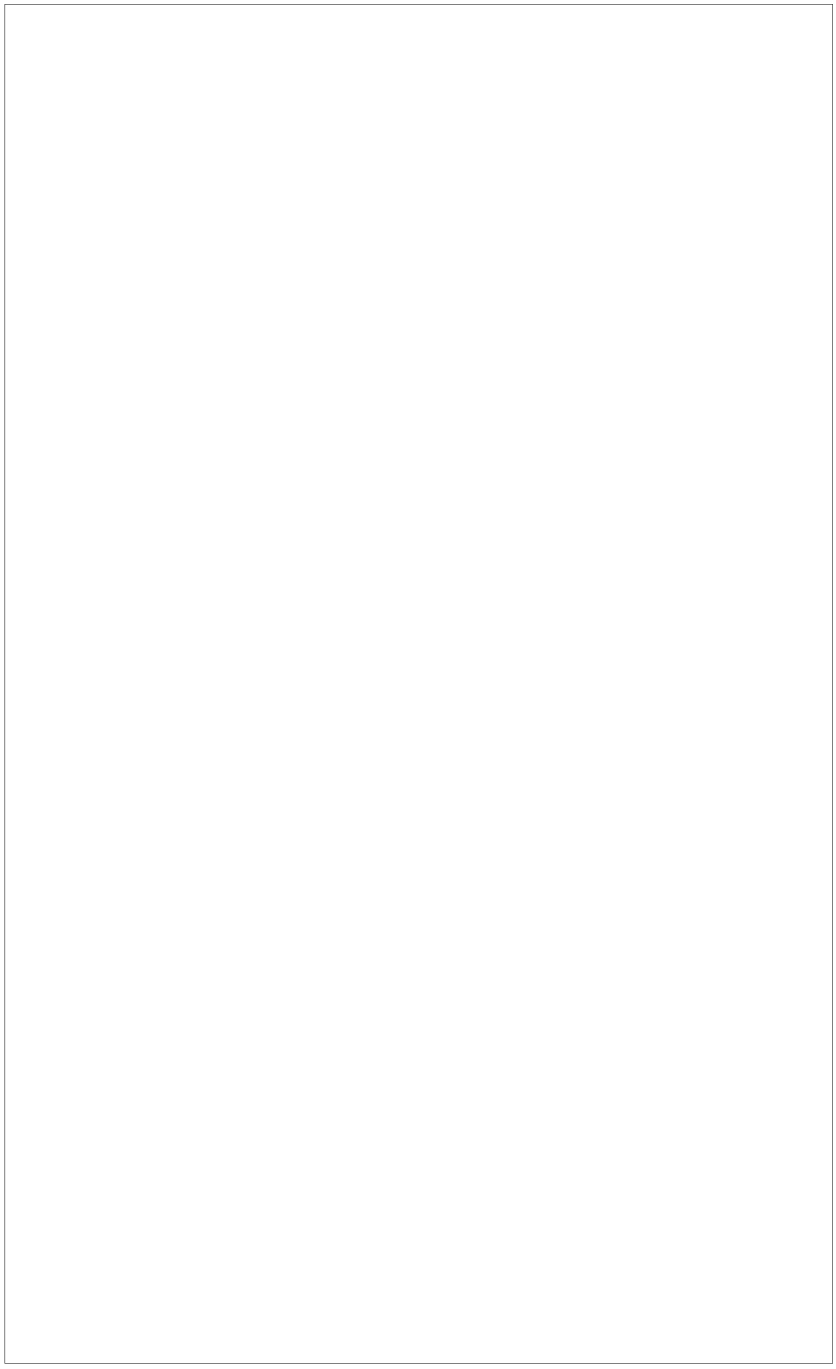

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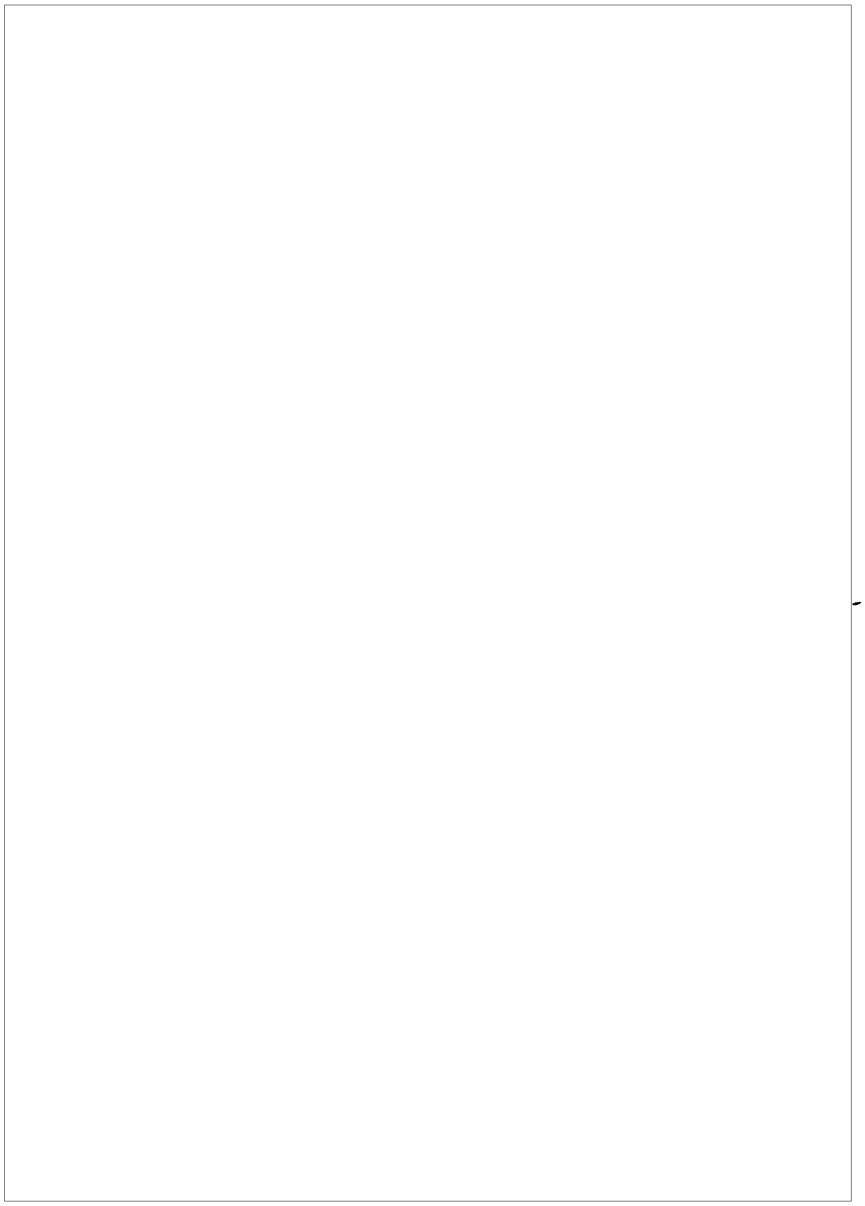

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